

C

Funding

Introduction	C-3
Section 319 Grants Program.....	C-4
Clean Water Act Section 205(J) Grant Programs	C-6
State Revolving Fund (SRF) Loan Program	C-7
Lake Michigan Coastal Program	C-9
USDA-NRCS and Indiana Soil and Water Conservation Districts – Clean Water Indiana Grant	C-12
Other	C-13

This page intentionally left blank.

INTRODUCTION

This appendix serves as a summary of known funding sources available to public and private entities, at the time of publication, for implementation of nonpoint source pollution elimination/control projects.



SECTION 319 GRANTS PROGRAM

The Section 319 grants program is implemented by IDEM's Office of Watershed Management (OWM). Work plans, grants administration, financial administration, annual reporting, and use of the Grants Reporting and Tracking System (GRTS) are carried out by the OWM, in accordance with USEPA guidance from Region 5.

Work plans: The Section 319 grant program follows a cycle dependent on the development and passage of the federal budget. Although the federal fiscal year begins on October 1st of each year, final allocations of Section 319 funds may not be certain until March or April. Work plans explaining how the funds will be expended by the State will provide details of individual projects. These work plans are submitted to Region 5 by December 1st of each year. Final proposals are submitted in February. The entire grants award process, from submitting a proposal through contract execution, can take from six to nine months.

Design and oversight of watershed projects: Section 319 projects are normally contracted for two years. Projects fall into several categories: demonstration, education, research, assessment, and program development. The application package submitted by the sponsor contains a budget, schedule, description of the problem, proposed activities for addressing the problem, how the project will be evaluated, a project location map, and letters of support. Project managers work with the sponsor to refine the application package as needed. This package is used to develop the contract between IDEM and the sponsor. All watershed projects (demonstrations) are encouraged to prepare a watershed plan during the term of the project, if one has not already been written, and the sponsoring group will be given assistance with the plan if they request it.

Projects are assigned to a specific project manager who works closely with the sponsoring group, meeting with them at least quarterly, providing technical assistance or referrals to others as needed, and handling all paperwork submitted for the project. This oversight is concluded when the project final report and all claim vouchers have been submitted and the contract has been closed.

Targeting of projects: Watershed projects developed under Section 319 must be targeted to watersheds or waterbodies identified as being impaired either in the 305(b) report, the 303(d) list, or in a report from a state lake program. If a local group has current and credible water quality data identifying impairment in a watershed not targeted by the above documents, that waterbody may also be considered for funding. In addition, watershed projects must address one of the Project Objectives listed below. Statewide projects must address one of the Project Objectives and must assist the State in meeting one or more administrative or water quality goals as stated in this document.

Reporting: Annual reports are submitted to USEPA on October 1st of each year. These reports include a list of open projects and their contract term, pollutant load reduction estimations, geographic location of all projects, administrative and water quality goals, and copies of final reports for projects that have closed since the last annual report. In addition, a summary on all nonpoint source pollution efforts in the State, including efforts by the Indiana Department of Natural Resources and the Natural Resources Conservation Service, is provided. The Grant Reporting and Tracking System (GRTS) is continually maintained for USEPA's access,

SECTION 319 GRANTS PROGRAM

including at least the required mandated elements, quarterly progress reports, and final reports for all projects as they are received.

GRTS (Grants Reporting Tracking System): Indiana began utilizing the Grants Reporting and Tracking System in 1996. At that time only the mandated elements were entered, due to the difficulties of working on the mainframe system. With improved software developed by USEPA, Indiana has greatly increased its use of the GRTS database. In March 1999, all project managers were trained on the system. Project managers enter all information for their projects, including quarterly and final reports as text documents. Quarterly and final reports are either summarized or copied electronically into the GRTS. This database is available nationally so that states may view each other's project information.

Project Quality Assurance/Quality Control (QA/QC) and monitoring component: Nonpoint source projects are required to include appropriate monitoring to gauge the effectiveness of the project. In many cases, this involves water quality monitoring. Depending on the goals of the project, the water quality monitoring plan may be detailed and tailored to obtain specific water quality data with which to make decisions. Monitoring plans may also utilize volunteers to test the streams and rivers for educational purposes, detecting possible problems, or determining trends. When environmental data is being collected during the course of a nonpoint source project, a Quality Assurance Project Plan (QAPP) must be developed, submitted, and implemented. The QAPP is reviewed by the Watershed Management Section's Quality Assurance Manager to ensure that the data collected will be of known and suitable quality and quantity, and that it meets USEPA requirements and the project's needs.

Depending upon the type of project and the goals of the project, environmental monitoring may not be appropriate to determine the effectiveness and success of a project. Additional types of monitoring activities include: tracking the number of people attending an event; determining how many acres of land are affected by the project; assessing the results of surveys; and other kinds of monitoring specific to the goals of the project.

The requirements for Section 319 project grants are described below:

- Project sponsors must be units of government, nonprofit organizations, or universities;
- The area in which the project takes place must be within the watershed of a waterbody which is:
 - Listed in the current 303(d) list as impaired due to a pollutant that may have a nonpoint source; or
 - Listed in the current 305(b) report as not fully supporting a designated use due to an impairment that may be due to a nonpoint source;
- Projects of a statewide or regional nature must directly assist the Program in reaching an administrative or water quality goal as detailed in Sections 1 and 7 of this document; and
- Projects targeted to a specific watershed must address a water quality goal as detailed in Sections 1 and 7 of this document, and must address one or more of the Project Objectives listed in this Section.

CLEAN WATER ACT SECTION 205(J) GRANT PROGRAMS

This program is designed for projects aimed at reducing and eliminating pollution at the state level through community planning processes. 205(j) funding was previously allocated through Section 604(b) of the Clean Water Act. Eligible organizations include municipal governments, county governments, conservation districts, and regional planning commissions. Typical projects have included watershed management planning, identification of appropriate Best Management Practices (BMPs), GIS mapping, and sewer feasibility studies.

The funding for this program is provided by USEPA under the authority of the Clean Water Act. No match is required by the community. Usual annual funding from USEPA Region V to the State ranges from \$350,000 to \$450,000; the average project receives \$30,000 to \$70,000.

<http://www.in.gov/indianalakes/agency/agencies/state03.html>

STATE REVOLVING FUND (SRF) LOAN PROGRAM

The State Revolving Fund (SRF) Loan Program provides low-interest loans to Indiana communities for projects that improve wastewater and drinking water infrastructures. The Indiana Finance Authority administers this program that protects both public health and the environment. Recently, SRF has implemented a program to fund nonpoint source projects, as well. The Indiana State Revolving Fund Loan Programs have provided over \$1.3 billion dollars in low-interest loans to Indiana communities for projects that improve wastewater and drinking water infrastructure. More than 200 communities have closed on over 200 wastewater loans and 75 drinking water loans. Great strides have been made by communities with this money in addressing water quality problems from point sources; however, SRF recognizes that NPS runoff and watershed disturbances threaten these successes and impede future water quality improvements. In response to this situation, SRF has expanded its financing opportunities to projects that abate or prevent NPS pollution of Indiana's waters. Integrating a NPS project with a wastewater or drinking water project may reduce a community's SRF program loan interest rate by up to as much as 0.5%, or half of the cost of the NPS project.

Who is eligible?

- Cities, towns, counties, regional sewer/water districts, conservancy districts, and water authorities are eligible for wastewater, drinking water, and nonpoint source SRF loans.
- Private and not-for-profit facilities are eligible only for drinking water SRF loans.

Where does the money come from?

- The State applies to the USEPA annually for capitalization grants to fund its SRF programs. To increase available funds, the State leverages its USEPA capitalization grants in the municipal bond market. These funds are combined with the USEPA required state match and are then made available to Indiana communities in the form of low-interest rate loans.

What types of projects are eligible for funding?

Any project where there is an existing pollution abatement and need is eligible for SRF funding.

- Wastewater projects include:
 - Treatment plant improvements and upgrades;
 - Sewer line extensions to existing unsewered properties;
 - Combined sewer overflow corrections; and
 - Infiltration/inflow projects.
- Drinking water projects include:
 - Treatment plant improvements and upgrades;
 - Water line extensions to existing unserved properties; and
 - Water storage facilities.
- Nonpoint source projects include:
 - Wetland protection and restoration measures;
 - On-site sewage disposal systems;
 - Best Management Practices for agriculture and stormwater runoff;
 - Riparian Buffers and Conservation Easements; and
 - Wellhead and Source Water Protection measures.

STATE REVOLVING FUND (SRF) LOAN PROGRAM

What types of projects are not eligible for funding?

- Projects that are solely intended for economic development.
- Projects that are primarily for fire suppression.
- Stormwater projects that have no water quality benefits.

How does a community apply for an SRF loan?

- An eligible entity can submit an application at any time to the SRF Program at 100 North Senate Ave., Rm. 1275, Indianapolis, IN 46204
- Application forms are available on our website at: <http://www.srf.in.gov>.

What are the loan terms?

- The SRF loan is a fixed rate, 20 year loan.
- Interest rates reset quarterly and are at or below 90% of the average 20 year, AAA-rated, general obligation bond Municipal Market Data. Rates are further discounted based on the applicant's median household income (from current census data) and local user rates.

Where can I get more information about SRF loans?

- For more information about SRF program administration and the SRF Process, please contact the SRF Program Office at (317) 232-8655 or visit our website at: <http://www.srf.in.gov>.

LAKE MICHIGAN COASTAL PROGRAM

The U.S. Congress has made available to states and territories with approved coastal zone management programs funds for competitive grants for community-based coastal activities. Funding and oversight are provided by the National Oceanic and Atmospheric Administration (NOAA), Office of Ocean and Coastal Resource Management (OCRM). Projects must be consistent with the goals and objectives of the Coastal Zone Management (CZM) Act of 1972 (CZMA, 16 U.S.C. §1451 et seq.) and meet the requirements of the CZM Program administered by OCRM. Indiana is making approximately \$800,000 available for the 2008 funding cycle.

The State requires that projects are consistent with the CZM Act. For Indiana, this funding will be administered by the Department of Natural Resources (DNR), Division of Nature Preserves (DNP), and the Lake Michigan Coastal Program (LMCP). You may visit our website at <http://www.in.gov/dnr/lakemich> to view additional information about the LMCP or to download copies of the application guidance and the application.

This document is intended to establish the structure and requirements for Indiana's Coastal Grants Program. The purpose of the program is to preserve, protect, restore, and, where possible, to develop the resources of the coast for this and succeeding generations. The program also exists to achieve wise use of the land and water resources of the coastal region, giving full consideration to ecological, cultural, historic, and esthetic values as well as to needs for economic development. The LMCP seeks out social, economic, and environmental solutions that balance the use and protection of the coast's valuable, yet fragile, resources. Proposals for projects will be reviewed on a competitive basis, utilizing the grant funds available to Indiana.

Eligible Applicants

The following are eligible applicants:

- Units of local government, such as municipalities, townships, counties, and towns
- Area-wide agencies, including county and regional planning agencies
- State agencies
- State colleges, universities, and other State institutions of higher learning
- Conservancy districts and port authorities
- Basin commissions
- Non-profit organizations – 501(c)3 (some restrictions apply)
- Nonprofit organizations are only eligible to apply for non-construction/non-acquisition projects as grantees. They may partner with a public entity to perform some or all tasks of a 306A construction or acquisition project, but they may not be a grantee for construction/acquisition projects. Additional information can be downloaded at www.in.gov/dnr/lakemich/grants.

Eligible Projects

- Funding is available for projects that protect, restore, and plan for the management of coastal natural, historical, and cultural resources. Projects must be consistent with the CZM Act. The CZM Act can be found at: http://coastalmanagement.noaa.gov/czm/czm_act.html

LAKE MICHIGAN COASTAL PROGRAM

Ineligible Projects include, but are not limited to:

- Construction projects on privately owned land without a conservation easement or other public interest
- Large scale, hard structure erosion control projects
- Beach renourishment
- Infrastructure projects related to water and sewer line construction
- Dredging
- Restrooms
- Road and parking lot construction
- Routine maintenance
- General recreational facilities such as playgrounds, ball fields, courts, etc.
- Wetland or other habitat restoration that is required as a condition of a permit or other regulatory action
- Contaminated site cleanup that is required as a condition of a permit or other regulatory action

Eligible Geographic Area

Projects must be located entirely within the LMCP Coastal Program Area, which comprises the northern portion of Lake, Porter, and LaPorte counties, unless the applicant can demonstrate that the project will have direct substantial benefits within the coastal region.

Lands owned by a federal entity are excluded from the LMCP Program Area and, therefore, projects may not occur on these lands.

LAKE MICHIGAN COASTAL PROGRAM - SMALL GRANT PROGRAM

Beginning in 2003, the Lake Michigan Coastal Program has allocated a limited amount of funds to serve short term requests for funding from the coastal community. The projects are to be short-term in duration, small in scope, and use the same application as the Large Grant program.

Two different Small Grant categories are available:

- **Outreach and Education:** includes ideas such as public participation processes, information kiosks, symposiums, conferences (cannot cover food costs), etc.
- **Resource Management:** projects such as GIS data collection, aerial photography, land use planning, and other projects that allow for better resource management.

Who can apply?

- All entities eligible for the annual Large Grant funding cycle are eligible to apply for Small Grant funds. This includes local units of government, nonprofits, colleges and universities, joint powers boards, state agencies, etc. The project must occur within the Coastal Area and address Coastal Issues.

What are the Match Requirements?

- Request for funds cannot be more than \$5,000.

LAKE MICHIGAN COASTAL PROGRAM

- Projects must be matched *at least* 50/50 or 1:1.
- A \$5,000 request must be matched with \$5,000 of non-Federal cash or in-kind services for a total of \$10,000.
- Must follow the same accounting standards as large grants.
- All funds are distributed on a reimbursement basis.

What are the Project Limitations?

- A project can receive LMCP small grant funds only once during the project life.
- An applicant can only have one request funded at a time.
- Projects cannot involve construction, land acquisition, or restoration.

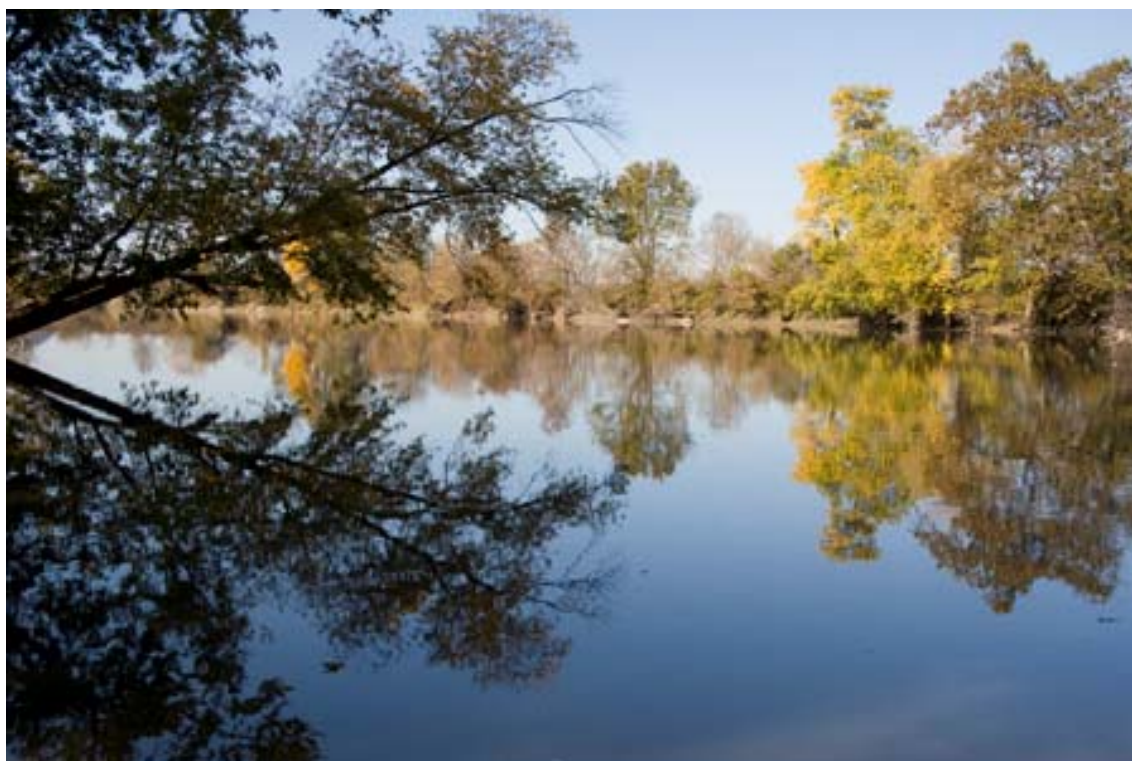
What is the timeline for Small Grants?

- Grants applications are accepted at the same time as the regular large scale grants and anytime thereafter.
- Projects must be ready to begin within 30 days of approval, pending a signed grant agreement (2006 Funding Cycle projects will be able start after August 2006).
- Projects must be totally completed within six months, including all paperwork and requests for reimbursements.

USDA-NRCS AND INDIANA SOIL AND WATER CONSERVATION DISTRICTS – CLEAN WATER INDIANA GRANT

In 1999, the Clean Water Indiana Program was created by a unanimous vote of the Indiana General Assembly by amending the Indiana District Law to add this program authority (IC-14-32-8). The purpose of the Clean Water Indiana Program is to provide assistance to help protect and enhance Indiana's streams, rivers and lakes by reducing the amount of polluted stormwater runoff from urban and rural areas entering surface and ground water. The initial year the program received no funding. In 2001, Indiana legislators utilized Build Indiana Funds to appropriate \$1 million per year for 2001 and 2002 to the program. Later that year, the \$1 million for 2002 reverted back into the Build Indiana Fund to help address the State's financial situation. During 2003, legislators introduced two bills to fund the Clean Water Indiana Program.

<http://www.in.gov/isda/2362.htm>



OTHER

A summary of various federal, state, and non-profits/Grassroots funding opportunities are included in the attached table. The information came from the EPA Catalog of Federal Funding Sources for Watershed Protection (Second Edition), the Indiana Department of Environmental Management, the Indiana Department of Natural Resources, and various internet website searches. This information is believed to be accurate at the time it was gathered, but the reader is encouraged to review and confirm all available funding prior to applying.